

City of New London  
OFFICE OF THE MAYOR

Thank you Senator Osten and Rep. Rojas. I am here today to speak in support of House Bill No. 5583.

I am proud to speak to you today as Mayor of the City of New London, home to three colleges and one community hospital. While the people of New London appreciate what these institutions provide to our City, few people appreciate or understand what our City provides to these institutions.

Connecticut College's website promotes New London's downtown arts and entertainment district. Mitchell College boasts that their campus is located in a safe neighborhood. L+M Hospital touts the areas' family oriented lifestyle. The amenities which these institutions use to entice students and professional staff are supported by property taxes—taxes from which these institutions are exempt.

All of these institutions' operations stress our City infrastructure and all of these institutions rely on our services. Their properties contribute to storm water runoff. These institutions depend on our police and fire departments to protect and serve them. They depend on the City to keep nearby streets plowed and paved.

Over the last five years, for example, the City and the State have made 36 million dollars worth of improvements on Montauk Avenue. Montauk Avenue borders and services both L+M hospital and Mitchell College.

It is becoming increasingly difficult for our City to maintain these necessary services and to fund these vital capital projects. In the last two years, we've lost 25% of our municipal workforce through budget cuts. Our fund balance is nearly exhausted. We have been forced to ask more and more from our tax-paying residents and businesses, over 8% in tax increases in the last two years alone, while nearly half our city land remains non-taxable. The largest portions of this nontaxable property are owned by L+M, Connecticut College and Mitchell College.

If these three institutions--L+M, Connecticut College and Mitchell College—paid taxes at their assessed value, they would be paying nearly twelve and a half million dollars to the City. Instead we receive less than four and a half million dollars in PILOT funds for these institutions. The difference is crippling us.

I did recently meet with each of our college presidents and the President of L+M hospital. I explained the City's financial situation, and I asked each of them to make a one-time voluntary contribution of one mill on their assessed property values.

They all said no. One mill, one time—less than 5% of what they would pay if they weren't tax exempt--during a period of deep financial hardship for New London. They all said no.

They wrote long letters explaining that they employee people, therefore they shouldn't have to pay. But our struggling small businesses employ people too, and they all pay property taxes.

They said that they didn't have any money. But the residents in New London have a poverty rate of 17.9% and a median income under \$23,000, and they all pay property taxes.

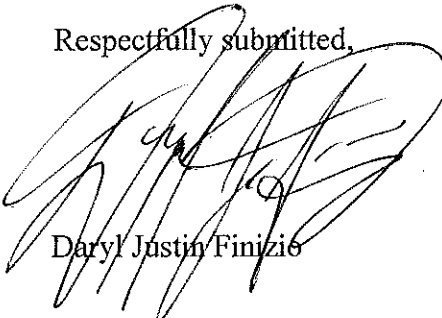
They said they are civically engaged, that their students volunteer or they meet various community needs. But our residents volunteer and our businesses meet needs, and they all pay property taxes.

The truth is, nobody wants to pay taxes, but everybody wants services. This bill would more equitably, more strongly and more stably fund the services that everyone, including our colleges and hospital, want and need.

I have an appendix to my written testimony which includes a suggested amendment related to prior tax payments. I welcome the opportunity to discuss this suggested amendment with committee members or staff.

I thank you again for your time and consideration, and, again, I urge you to support House Bill No. 5583. This bill will bring fairness to our tax system, and give hope to my City's struggling taxpayers.

Respectfully submitted,



Daryl Justin Finizio

DJF/ln

## **Appendix 1. Proposed Amendment**

I respectfully request that Section 12-20 be amended to include language which would void any prior agreements regarding the payment of property taxes by affected colleges and hospitals. Connecticut College currently has an agreement to pay New London a token \$12,500 annually until 2017, and Mitchell College has an agreement to pay \$28,750 annually through 2015. To put this in context, these two colleges comprise over 10% of New London's gross property values. Our budget is eighty two million dollars, yet together they pay \$41,250. Amending this bill to void these agreements would be in keeping with the bill's purpose, while still allowing municipalities the flexibility to craft new agreements.